

cc: SD
LB
AE



August 9, 1993

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R. F. Segelke
C. M. Uffindell
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Subject: **7-Eleven - Corporate Price Strategy**

The following outlines the **Corporate 7-Eleven** strategy relevant to the price roll back.

George

George H. Moulton

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9 August 1993

TO ALL SOUTHLAND CORPORATE CAM'S / D/M's
SUBJECT : SOUTHLAND CORPORATE PRICE ROLLBACK
STRATEGIES

Ladies and Gentlemen,

Information listed below has been received from Southland Corporate Headquarters relative to their price rollback plans :

Strategies :

- Corporate stores will maintain \$4.00 / \$.40 Marlboro the week of August 9 - 15, 1993. On August 16, 1993, 7-Eleven will roll back all Philip Morris brands to reflect the new pricing structure. All other company's brands will be rolled back on August 23, 1993.
- Franchise stores will make decisions on an individual basis depending on inventory levels.

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Tactics :

- 7-Eleven Corporate will use their Philip Morris "flex fund" to continue the Marlboro \$ 4.00 / \$.40 reduction during the week of August 9, 1993. Other company's brands will be at the current higher price.
- 7-Eleven Corporate Division will then execute Philip Morris' roll back program on August 16, 1993, creating two tiers with Philip Morris brands at a lower price than all other companies for one additional week.
- August 23, 1993 - 7-Eleven will roll back all company's brands to reflect the new pricing.

Comments :

7-Eleven Corporate will try to capitalize on Philip Morris' "flex fund" to gain a competitive advantage in the marketplace. You should implement our strategies as outlined recently in your Regional meetings. If I receive any changes to the above information, I will advise.

Sincerely,
Herman
H. E. Young

/cn

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